

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
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**FISCAL IMPACT STATEMENT**

**LS 7944**

**BILL NUMBER:** HB 1525

**DATE PREPARED:** Mar 1, 2001

**BILL AMENDED:** Feb 26, 2001

**SUBJECT:** Commercial Mobile Radio Service

**FISCAL ANALYST:** David Hoppmann

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**FUNDS AFFECTED:** ☒ **GENERAL**  
☒ **DEDICATED**  
**FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** (Amended) *Surcharge*- This bill requires the Integrated Public Safety Commission (the Commission) to assess a monthly integrated communications emergency system surcharge of forty-five cents on each commercial mobile radio service (CMRS) mobile telephone number with a billing address in Indiana, and each exchange facility in Indiana. It provides that the surcharge may not be assessed after June 30, 2006.

*Surcharge Revenue Use*- It provides that the money collected from the surcharge may only be used to pay for the following: (1) the development of the Indiana Statewide Wireless Public Safety Voice and Data Communications System (the System); (2) maintenance of the System; (3) matching grants for local or state government enhancements to the System; (4) matching grants for local or state public safety user equipment; (5) connectivity for state and local users of the Indiana Data and Communications System (IDACS); and (6) salaries and other administrative expenses of the Commission.

*Surcharge Exemptions*- It exempts federal and state government and political subdivisions from the surcharge. It provides that interest earned on money in the Integrated Public Safety Communications Fund (the Fund) is not deposited into the Fund. (Interest would be deposited into the State General Fund.)

**Effective Date:** July 1, 2001.

**Explanation of State Expenditures:**

**Explanation of State Revenues:** (Revised) Initial estimates of potential revenues for use by the Commission (for any or all of the items mentioned above in the Summary of Legislation) indicate that a total of approximately \$30 million per year would be generated based on approximately 5.5 million mobile and traditional telephone users in Indiana. Over a five-year period, assuming the rate of mobile and traditional telephone users remains constant, a total of approximately \$150 million would be generated. (This bill takes effect on July 1, 2001, and the Commission would not be allowed to assess a surcharge after June 30, 2006.)

*Indiana Statewide Wireless Public Safety Voice and Data Communications System*

In accordance with this bill, the Commission would be allowed to utilize surcharge revenues in order to implement the System. The following table illustrates the estimated implementation breakdown over a five-year period.

<b>SYSTEM EXPENSES</b>	<b>FY 2002 to FY 2005</b>	<b>FY 2006</b>
Backbone	58,987,249	0
Tower	47,496,000	0
Backbone Connectivity	5,930,000	2,372,000
Maintenance	7,020,000	4,820,000
Staffing and Administration	2,500,000	1,000,000
<b>TOTAL</b>	<b>121,935,251</b>	<b>8,192,000</b>

Estimated System expenses over a five-year period total approximately \$130 million.

*Indiana Data and Communications System*

The Commission would also be allowed to defray connectivity costs for state and local users of IDACS which is maintained by the Indiana State Police Department. Assuming the Commission utilizes surcharge revenues for the first four years to implement the System, approximately \$20 million would be left over in year five (FY 2006) to defray IDACS expenses.

Actual funding scenarios for the System and IDACS are currently indeterminable, and would depend upon administrative actions by the Commission.

*Background-* Public Law 117-1999 established the Commission to do the following: 1) plan for voluntary coordination of resources by public safety agencies; 2) develop coordinated and integrated responses to significant public safety events by public safety agencies; 3) develop means of sharing information operationally and technologically to improve public safety; 4) contract with consultants to assist in planning and development; 5) contract with others to provide services; and 6) oversee the Indiana Statewide Wireless Public Safety Voice and Data Communications System.

The Commission is comprised of the following 12 members: 1) a sheriff appointed by the Governor; 2) a chief of police appointed by the Governor; 3) a fire chief appointed by the Governor; 4) a head of an emergency medical services provider appointed by the Governor; 5) a mayor appointed by the Governor; 6) a county commissioner appointed by the Governor; 7) a representative of campus law enforcement appointed by the Governor; 8) a representative of the private sector appointed by the Governor; 9) the Superintendent of the State Police Department; 10) the special agent in charge of the Indiana Office of the Federal Bureau of Investigation; 11) an individual appointed by the Speaker of the House of Representatives; and 12) an individual appointed by the President Pro Tempore of the Senate.

The Fund was also established by Public Law 117-1999. (Currently there is a zero balance.)

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** See Explanation of State Revenues.

**State Agencies Affected:** Public Safety Agencies.

**Local Agencies Affected:** Public Safety Agencies.

**Information Sources:** Federal Communications Commission, *Trends in Telephone Service, December 21, 2000*; State Police; State Budget Agency VAX System.